

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 22 - HB 1114

March 18, 2021

SUMMARY OF ORIGINAL BILL: Authorizes state agencies to provide child care services for state employees and officers. Requires the state to provide the space for a child care program to a sponsoring state agency if such space is available.

Requires the Department of Human Services (DHS) to approve, administer, and coordinate services, including, but not limited to: reviewing and approving requests from state agencies for child care services, providing technical assistance on child care program startup and operation, and assisting other agencies in conducting needs assessments, designing centers, and selecting service providers. Requires DHS to coordinate all duties regarding the placement, design, or any other structural needs for the facility with the Department of General Services (DGS).

Requires DGS to coordinate with the sponsoring state agency and DHS to determine the total cost of the build out for each individual project. Requires DGS, in coordination with the sponsoring state agency, to procure the child care services from a qualifying vendor using the policy, procedures, and rules from the Central Procurement Office.

Requires any vendor that is awarded a contract to provide child care services to cover all costs of the build out under the contract. Authorizes state agencies to enter into a partnership with local municipalities to jointly provide child care services to state and municipal employees.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Any initial increase in state expenditures to the Department of Human Services, Department of General Services and sponsoring state agencies is estimated to be not significant. However, if a substantial number of new child care agencies open as a result of this legislation, there will be additional administrative costs to the Department of Human Services. The extent and timing of any increase in state expenditures in subsequent years cannot be quantified with reasonable certainty.

SUMMARY OF AMENDMENT (005378): Deletes language of the original bill that required DHS to approve, administer, and coordinate child care services for the children of state officers and employees, including, but not limited to: reviewing and approving requests from state agencies for child care services, providing technical assistance on child care program startup and operation, and assisting other agencies in conducting needs assessments, designing centers, and selecting service providers. Authorizes, as opposed to requires, the state to provide the space for a child care program to a sponsoring agency, if such space is available. Establishes

that the proposed legislation does not apply to an institution of higher education that provides or establishes child care services through the institution of higher education.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 71-3-502(a)(1), all persons or entities operating a child care agency are required to be licensed by the DHS, unless exempt as provided in § 71-3-503.
- Any increase in state expenditures to DHS to license new child care agencies is assumed to be absorbed within existing resources.
- DGS can coordinate all duties regarding the placement, design, or any other structural needs for facilities, determine the cost of the build out for individual projects, and procure contracts with vendors utilizing existing resources.
- All costs incurred to build out a location for use as a child care facility are to be covered, under contract, by the selected vendor.
- It is assumed that all operational costs will be covered by program participants.
- Any increase in expenditures to state government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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